

SECTION 2. TYPES OF CERTIFICATES AND APPLICABLE RULES

13. TYPES OF CERTIFICATES.

A. There are four basic types of air operator certificates issued by the FAA in accordance with spec-

ific FAR Parts. These certificates are titled and associated with their respective FAR Parts as specified in table 2.1.2.1.

**TABLE 2.1.2.1
TYPES OF CERTIFICATES**

TYPE CERTIFICATE	TYPE OPERATOR	SEATING CAPACITY PAYLOAD CAPACITY	CERTIFYING FAR PART	OPERATING FAR PART
AIR CARRIER CERTIFICATE	INTERSTATE COMMON CARRIAGE	AIRPLANES WITH OVER 30 SEATS OVER 7500 LBS.	SFAR 38-2	121
		AIRPLANES WITH 30 OR LESS SEATS 7500 LBS. OR LESS AND ALL HELICOPTERS	SFAR 38-2	135
OPERATING CERTIFICATE	INTRASTATE COMMON CARRIAGE	AIRPLANES WITH OVER 30 SEATS OVER 7500 LBS.	SFAR 38-2	121
		AIRPLANES WITH 30 OR LESS SEATS 7500 LBS. OR LESS AND ALL HELICOPTERS	SFAR 38-2	135
	INTERSTATE OMTRASTATE PRIVATE CARRIAGE (BUSINESS)	AIRPLANES WITH 20 OR MORE SEATS 6000 LBS. OR MORE	SFAR 38-2	125
		AIRPLANES WITH LESS THAN 20 SEATS LESS THAN 6000 LBS. AND ALL HELICOPTERS	SFAR 38-2	135
AGRICULTURE AIRCRAFT OPERATOR CERTIFICATE	PROVIDE AGRICULTURE SERVICES	NOT SPECIFIED	137	137
ROTORCRAFT EXTERNAL LOAD OPERATOR CERTIFICATE	LIFTING & PLACEMENT OF EXTERNAL LOADS	NOT SPECIFIED	133	133

B. This volume provides direction and guidance for the certification and issuance of Air Carrier Certificates and Operating Certificates to air operators required to comply with FAR Parts 121 and 135. It is important to understand the basis for issuance of a particular type of certificate and the type of operation authorized under the terms of that certificate. The following paragraphs are intended to enhance and standardize an inspector's understanding of the differences between an Air Carrier Certificate and an Operating Certificate.

15. COMMON CARRIAGE VS. PRIVATE CARRIAGE.

A. Common carriage means any operation for compensation or hire in which an operator holds itself out (by advertising or any other means), as willing to furnish transportation for any member of the public who seeks the services that the operator is offering. The operator openly offers a service for a fee to any and/or all members of the public.

B. Private carriage does not involve offering or holding out by the operator through advertising or any other means. Private carriage includes the following:

- Carriage of the operator's own employees or property
- Carriage of participating members of a club
- Carriage of persons and property which is only incidental to the operator's primary business enterprise
- Carriage of persons or property for compensation or hire under a contractual business arrangement between the operator and another person or organization, which did not result from the operator's holding out or offering service (In this situation the customer seeks an operator to perform the desired service and enters into an exclusive mutual agreement as opposed to the operator seeking customers.)

C. Advisory Circular (AC) 120-12A, "Private Carriage Versus Common Carriage of Persons or Property," provides additional guidelines for determining whether a transportation operation is common carriage or private carriage. If an inspector cannot clearly determine whether an operation is common carriage or private carriage, the facts of the situation shall be presented to the regional flight standards division (RFSD). The RFSD shall coordinate the matter with Regional Counsel for an appropriate determination.

17. AIR TRANSPORTATION AND AIR CARRIERS.

The FA Act defines, in part, air transport-

tation as "interstate, overseas, or foreign air transportation, or the transportation of mail by aircraft." The Act further defines interstate air transportation, overseas air transportation, and foreign air transportation as the "carriage by aircraft of persons or property as a common carrier (common carriage) for compensation or hire or the carriage of mail by aircraft in commerce between..." The Act defines an air carrier as "any citizen of the United States who undertakes, whether directly or indirectly or by a lease or any other arrangement, to engage in air transportation." Certain Department of Transportation (DOT) and FAA regulations, policies, and procedures associated with certificate issuance are based on these definitions.

19. ECONOMIC AUTHORITY - DOT CERTIFICATES AND EXEMPTIONS.

DOT has several types of economic authorities it issues: (1) section 401 certificate of public convenience and necessity for scheduled or charter operations, (2) section 418 domestic all cargo authority, (3) commuter air carrier authority, (4) air taxi operator authority, and (5) exemption authority. The type of authority issued to a particular company is generally based upon the type of operations that company intends to conduct.

A. Companies which wish to engage in air transportation operations with aircraft having more than 60 passenger seats or 18,000 pounds payload ("large aircraft") are required to hold certificate authority under either section 401 of the FA Act or section 418 (the latter of which authorizes domestic all-cargo operations only). Companies operating smaller aircraft may receive such authority also. Any company receiving such authority must be found "fit, willing, and able" to conduct the operations proposed.

(1) Different types of Section 401 authority may be issued: e.g., for scheduled or charter operations serving domestic or foreign points, carrying passengers/cargo/mail, or cargo/mail only. Evidence of such authority consists of the certificate itself, together with its Terms, Conditions, and Limitations. However, it is also a good idea to request a copy of DOT's Show Cause and Final Orders finding the company fit and issuing the certificate.

(2) A commuter air carrier is defined as a company which operates aircraft designed to have no more than 60 passenger seats and provides scheduled passenger service of five or more round-trip flights per week on at least one route according to published flight schedules.

(3) An air taxi operator is defined by DOT as a company which operates aircraft designed to have no more than 60 passenger seats or a cargo payload of 18,000 pounds and carries cargo or mail on either

a scheduled or charter basis, and/or carries passengers on an **on-demand** basis only. The authority issued to both an air taxi operator and a commuter air carrier is a registration (OST Form 4507), although commuters must be found “fit” to operate, just like carriers receiving certificates. In the case of a commuter air carrier, when requesting evidence of that company's DOT authorization, you should request not only a copy of OST Form 4507, but also a copy of DOT's Show Cause and Final Orders finding the company fit to engage in scheduled passenger operations.

B. A company may also provide certain of its operations pursuant to exemption authority from the DOT. Generally exemption authority is issued only to companies which already hold some type of section 401 certificate authority from the DOT and who wish to provide operations outside of the authority granted by that certificate. For example, XYZ Airlines holds a domestic section 401 certificate for scheduled passenger operations, but no foreign air transportation. It may request an exemption from the domestic certificate requirements. Evidence of exemption authority may consist merely of a DOT confirmation of oral

action taken, or it may take the form of a DOT order granting such authority.

NOTE: If an inspector is unsure of the type of operations authorized by the registration, certificate, or exemption evidence presented by an air carrier, he/she should contact DOT's Air Carrier Fitness Division, Phone 202-366-9721, to confirm the authority held.

C. Washington headquarters, in support of DOT fitness determinations, may occasionally query field inspectors concerning an applicant's accident, incident, and enforcement history. Other than responding to these queries, a field inspector should not be involved in an applicant's efforts to obtain DOT economic authority. It is solely the responsibility of an applicant to obtain DOT economic authority. Field inspectors, however, shall not issue an FAA air carrier certificate unless an applicant can show proof that appropriate DOT economic authority has been obtained. Actions which must be taken to obtain DOT economic authority are summarized in figure 2.1.2.2. For further information concerning DOT fitness determinations contact the Air Carrier Fitness Division, (202) 366-9721.

**TABLE 2.1.2.2
ACTIONS TO OBTAIN DOT AUTHORITY**

TYPE OF DOT ECONOMIC AUTHORITY				
	401 CERTIFICATE	418 CERTIFICATE	298 EXEMPTION SCHEDULED PASSENGER OPERATIONS	298 EXEMPTION NON-SCHEDULED OPERATIONS
O P E R A T O R	MUST FILE APPLICATION FOR CERTIFICATE	MUST FILE APPLICATION FOR CERTIFICATE	MUST REGISTER WITH DOT AND APPLY FOR FITNESS DETERMINATION	MUST REGISTER WITH DOT
	MUST SUBMIT REQUESTED INFO & PROOF OF INSURANCE	MUST SUBMIT REQUESTED INFO & PROOF OF INSURANCE	MUST SUBMIT REQUESTED INFORMATION & PROOF OF INSURANCE	MUST SHOW PROOF OF INSURANCE
D O T	DOCKETS APPLICATION FOR PUBLIC VIEWING	DOCKETS APPLICATION FOR PUBLIC VIEWING		
	CONDUCTS FITNESS DETERMINATION	CONDUCTS FITNESS DETERMINATION	CONDUCTS FITNESS DETERMINATION	
	ISSUES A SHOW CAUSE ORDER TO INVITE INTERESTED PARTIES TO STATE WHY OPERATION SHOULD NOT BE AUTHORIZED		ISSUES A SHOW CAUSE ORDER TO INVITE INTERESTED PARTIES TO STATE WHY OPERATION SHOULD NOT BE AUTHORIZED	
	ISSUES FINAL ORDER	ISSUES FINAL ORDER	ISSUES FINAL ORDRE	
	ISSUES 401 CERTIFICATE *	ISSUES 418 CERTIFICATE *	ISSUES REGISTRATION *	ISSUES REGISTRATION *
* DOT certificates or registrations are written evidence of official economic authority issued by the DOT.				

21. REGULATORY REQUIREMENTS. SFAR 38-2 specifies FAA certification requirements and operating regulations for air operators who conduct common carriage or private carriage of persons or property for compensation or hire. FAA certificates

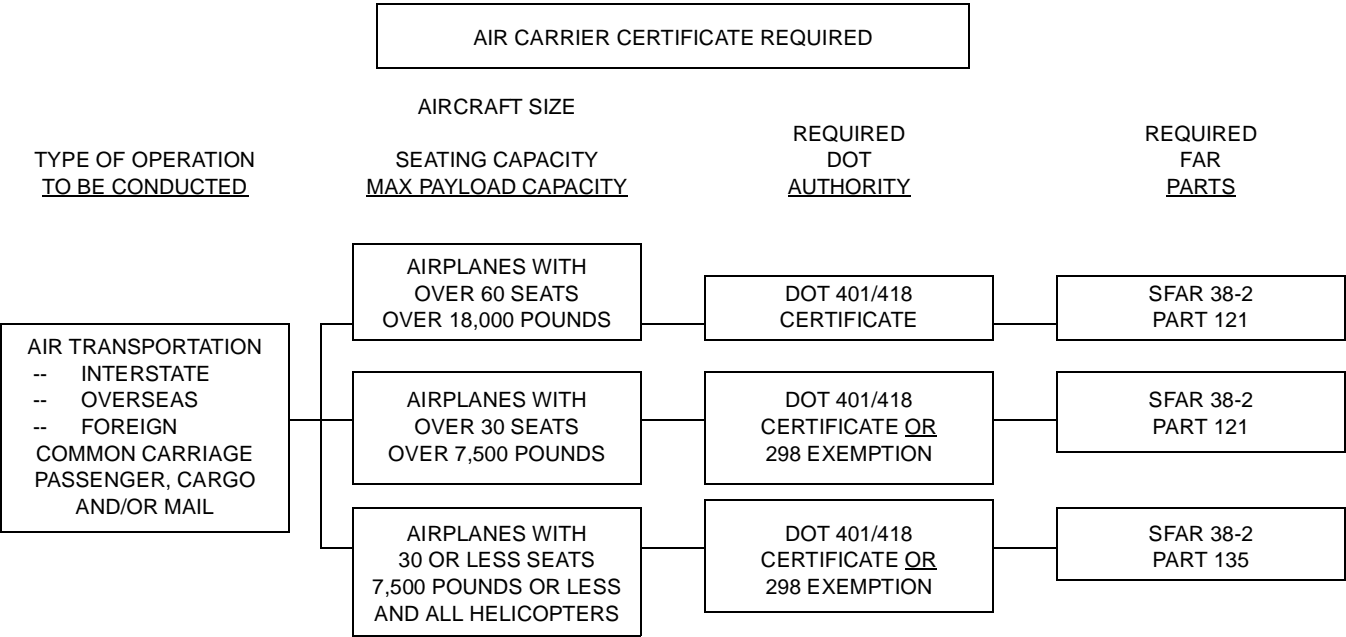
required for various types of operations conducted, required DOT authority if any, and the applicable FAR Parts are summarized in figures 2.1.2.1 and 2.1.2.2.

FYI: Private carriage of persons or property using airplanes with 20 or more passenger seats, or a maximum payload capacity of 6000 pounds or more, may or may not involve “compensation or hire.” Air operators using aircraft of this size in private carriage are governed by

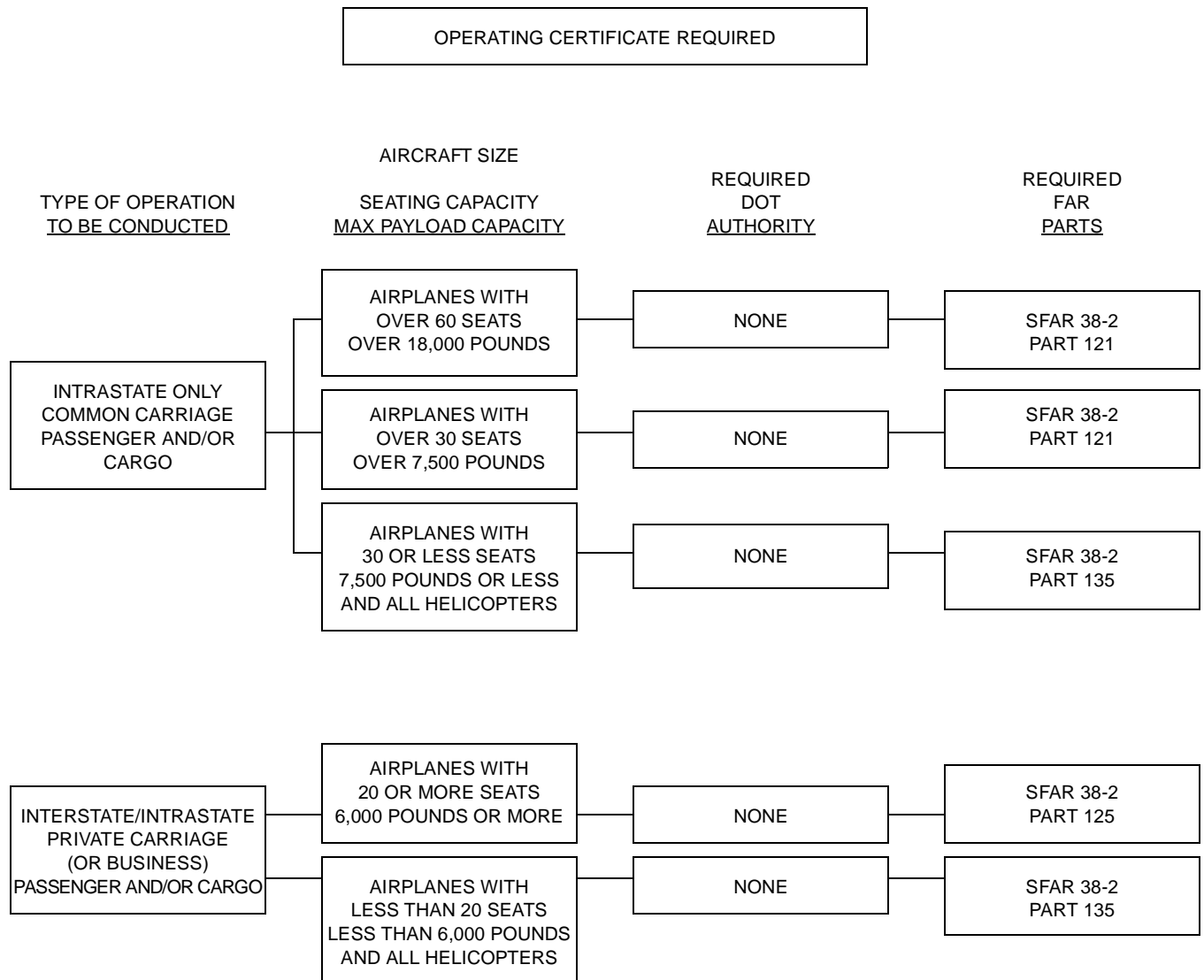
Part 125. Certification and operating requirements, policies, and procedures for these types of operators are in FAA Order 8700.10.

22.-26. RESERVED

**FIGURE 2.1.2.1
DOT AUTHORITY AND APPLICABLE FAR PARTS**



**FIGURE 2.1.2.2
APPLICABLE FAR PARTS FOR OPERATING CERTIFICATES**



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